

Care Services Portfolio Budget Monitoring Summary

2013/14 Actuals	Division Service Areas	2014/15 Original Budget £'000	2014/15 Latest Approved £'000	2014/15 Projected Outturn £'000	Variation £'000	Notes	Variation Last Reported £'000	Full Year Effect £'000
	EDUCATION CARE & HEALTH SERVICES DEPARTMENT							
	Adult Social Care							
18	AIDS-HIV service	0	0	0	0		0	0
30,925	Assessment and Care Management	25,475	24,002	24,709	707	1	589	410
	Adult Social Care Capping savings target not yet delivered			1,450	1,450	1	1,450	1,450
3,897	Direct Services	3,269	3,331	3,324	Cr 7	4	Cr 10	0
2,868	Learning Disabilities Care Management	2,052	3,048	3,243	195	1	355	265
1,694	Learning Disabilities Day and Short Breaks Service	2,100	2,096	1,977	Cr 119	2	Cr 100	Cr 119
988	Learning Disabilities Housing & Support	1,562	1,383	1,286	Cr 97	3	Cr 120	Cr 97
40,390		34,458	33,860	35,989	2,129		2,164	1,909
	Operational Housing							
Cr 1	Enabling Activities	Cr 1	Cr 1	Cr 1	0		0	0
Cr 778	Housing Benefits	Cr 1,662	Cr 1,662	Cr 1,662	0		0	0
4,571	Housing Needs	4,576	5,776	5,776	0	5	0	375
3,792		2,913	4,113	4,113	0		0	375
	Strategic and Business Support Service							
1,945	Strategic & Business Support	2,198	2,198	2,077	Cr 121	6	Cr 67	0
331	Learning & Development	394	394	334	Cr 60	6	0	0
2,276		2,592	2,592	2,411	Cr 181		Cr 67	0
	Children's Social Care							
14,413	Care and Resources	17,238	17,214	17,504	290	7	327	254
1,544	Safeguarding and Quality Assurance	1,402	1,426	1,388	Cr 38		Cr 38	0
3,373	Safeguarding and Care Planning	3,499	3,499	3,499	0		0	0
3,615	Referral and Assessment	3,413	3,413	3,675	262		253	220
765	Bromley Youth Support Programme	817	817	817	0		0	0
4,025	Children's Disability Service	2,433	2,433	2,357	Cr 76		0	0
27,735		28,802	28,802	29,240	438		542	474
	Commissioning							
3,311	Commissioning	3,105	3,156	3,159	3	8	Cr 18	0
0	Information & Early Intervention	1,278	1,226	1,280	54		0	0
22,327	Learning Disabilities	24,311	24,271	24,261	Cr 10	1	122	1,045
4,776	Mental Health Services	5,644	6,348	6,806	458	1	232	943
2,843	Supporting People	2,060	2,006	1,860	Cr 146	9	Cr 85	Cr 189
10,299	NHS Support for Social Care							
	- Expenditure	4,548	5,536	5,536	0		0	0
Cr 10,299	- Income	Cr 4,548	Cr 5,536	Cr 5,536	0		0	0
33,257		36,398	37,007	37,366	359		251	1,799
	Public Health							
12,229	Public Health	12,230	12,230	11,859	Cr 371		Cr 135	0
Cr 12,601	Public Health - Grant Income	Cr 12,601	Cr 12,601	Cr 12,230	371		135	0
Cr 372		Cr 371	Cr 371	Cr 371	0		0	0
107,078	TOTAL CONTROLLABLE CARE SERVICES ECHS	104,792	106,003	108,748	2,745		2,890	4,557
2,398	TOTAL NON CONTROLLABLE	1,783	1,776	1,792	16		16	0
9,825	TOTAL EXCLUDED RECHARGES	10,893	10,893	10,893	0		0	0
119,301	TOTAL CARE SERVICES ECHS DEPARTMENT	117,468	118,672	121,433	2,761		2,906	4,557
	Environmental Services Dept - Housing							
179	Housing Improvement	148	148	171	23	10	0	0
179	TOTAL CONTROLLABLE FOR ENV SVCS DEPT	148	148	171	23		0	0
Cr 325	TOTAL NON CONTROLLABLE	Cr 300	Cr 300	Cr 300	0		0	0
58	TOTAL EXCLUDED RECHARGES	354	354	354	0		0	0
Cr 88	TOTAL FOR ENVIRONMENTAL SVCS DEPT	202	202	225	23		0	0
119,213	TOTAL CARE SERVICES PORTFOLIO	117,670	118,874	121,658	2,784		2,906	4,557

Memorandum Item							
	Invest to Save projects: Savings						
30	Dementia Investment Plan	Cr 515	Cr 515	Cr 237	278	13	0
216	PD Investment Plan	Cr 345	Cr 345	Cr 66	279	184	0
246	Invest to Save projects	Cr 860	Cr 860	Cr 303	557	197	0
	Trading Accounts						
Cr 33	Trading Account - Performance & Research	0	0	Cr 34	Cr 34	Cr 34	0
Cr 33	Sub Total Trading Accounts	0	0	Cr 34	Cr 34	Cr 34	0

Reconciliation of Latest Approved Budget**£'000****2014/15 Original Budget****117,670**

Local Reform and Community Voices - IMHA (Exec 2/4/14):

- grant related expenditure 2014/15	64
- grant related expenditure 2014/15	Cr 64

Local Reform and Community Voices - DOLS (Exec 10/6/14):

- grant related expenditure 2014/15	24
- grant related expenditure 2014/15	Cr 24

Adult Social Care Investment Proposal - Demand Management (Exec 22/7/14)

- expenditure	250
- contribution from earmarked reserve	Cr 250

New Grant - Staying Put Implementation Grant

- expenditure	36
- income	Cr 36

Increase in insurance premiums

4

Carry Forwards:

Social Care funding via the CCG under s256 (Invest to Save)

- expenditure	449
- income	Cr 449

Impact of Care Bill / Adult Social Care Gateway Review

- expenditure	249
- income	Cr 249

Tackling Troubled Families

- expenditure	764
- income	Cr 764

Public Health weight management pilot

- expenditure	98
- income	Cr 98

Carry forward - Social Care Funding via the CCG under s256 (Invest to Save)

- expenditure	40
- income	Cr 40

Welfare Reform Implementation Funding

- expenditure	66
- income	Cr 66

Public Health s256

- expenditure	44
- income	Cr 44

Public Health Transition Funding

- expenditure	42
- income	Cr 42

Provision for homelessness (impact of recession/changes to welfare benefits)

- Bed & Breakfast	653
- Manorfields	547

Total Variations**1,204****2014/15 Latest Approved Budget****118,874**

REASONS FOR VARIATIONS**1. Adult Social Care and Commissioning - Care-Related Costs - Dr £2,800k**

	£'000
<u>Adult Social Care:</u>	
Assessment & Care Management (18-65 and 65+)	2,157
Learning Disabilities Care Management (18-65 and 65+)	195
	<u>2,352</u>
<u>Commissioning:</u>	
Learning Disabilities (18-65 and 65+)	(10)
Mental Health (18-65 and 65+)	458
	<u>448</u>
Total Projected Overspend	<u>2,800</u>

As reported last cycle, a new Adult Social Care "Service Reporting Code of Practice" (SERCOP) was implemented with effect from 1st April 2014. This had significant implications for budget management and financial reporting structures. In addition, "Zero Based Review" data collection changes were effective from the same date.

The main areas of change have included re-classification of all adult social care clients according to their Primary Support Reason (PSR), including those clients over 65 who were all previously classified as "Older People" irrespective of their primary care need. Further, support now has a greater degree of classification between long term and short term support.

The new PSRs include: Physical Support; Sensory Support; Support with Memory and Cognition; Learning Disability Support; Mental Health Support. There is a further category of Social Support which includes support to Carers.

There are still some issues to be resolved in relation to the implementation of the above changes, particularly final changes to some clients' PSRs and the consequent adjustments to budgets and projections.

These changes have had a significant impact on information available to monitor the budgets. Projections have been calculated based on the distribution of clients across PSRs at a point in time. Similarly, the budgets were calculated based on the profile of clients across the new PSRs in April 2014. Both of these sets of information continue to require further work and, as such, the above projections should be viewed only in total, with the expectation that the pattern of overspend will shift between individual budget heads in future months.

The projected overspend of £2.8m arises from the full year effect of 2013/14 activity combined with projected new activity in 2014/15 and 2014/15 budget savings, including £1.45m saving from the capping of Adult Social Care costs (see section below for further details)

Adult Social Care

The overspend in Adult Social Care can be further analysed as follows:

	Projected Variation £'000	Previous Variation £'000	Change £'000
<u>Physical Support / Sensory Support / Memory & Cognition</u>			
Services for 65 +			
- Placements	1,313	1,102	211
- Domiciliary Care / Direct Payments	958	968	-10
Services for 18 - 64			
- Placements	78	157	-79
- Domiciliary Care / Direct Payments	-192	-188	-4
	<u>2,157</u>	<u>2,039</u>	<u>118</u>

The £1.45m saving from the capping of Adult Social Care costs was allocated across both placements (£1.031m, equivalent to 50 places) and domiciliary care/direct payments budgets (£0.419m) for the over 65's. Whilst placement numbers for the under 65's remain within the budget, those for the over 65's are currently showing 60 placements above budget, indicating that attempts to reduce numbers have not been successful. Since the last reported figures relating to July there has been a net increase of 3 placements. Costs for domiciliary care and direct payments have reduced slightly, but a large overspend remains in this area.

Commissioning**Learning Disabilities - Cr £10k**

The projections include a number of assumptions on transition, increased client needs, carer breakdowns and the effect of Ordinary Residence transfers both in and out of Bromley. These assumptions have been reviewed in detail this cycle but there continues to be a significant element of forward projection in the reported figures; the position is likely to change as the year progresses.

The projected spend has reduced from the previous report by approx. £130k to a projected underspend position of £10k. This is due to a number of factors but has arisen mainly from limiting inflationary increases paid to providers, reduced future spend assumptions (potential placements being deferred / not materialising / at lower levels of cost), contract efficiencies and attrition.

Mental Health - Dr £458k

Based on current client PSR classifications in Carefirst, an overspend of £458k is anticipated on Mental Health care packages, mainly relating to the over 65 age group. However there appears to be a significant degree of client misclassification for Mental Health and, until this is resolved, it is difficult to manage or monitor budgets effectively. Both budgets and projections are likely to change once PSR issues are resolved. Current data indicates that the net number of Mental Health placements is increasing each cycle and it has now been assumed that this trend continues for the rest of the year.

2. Learning Disabilities Day and Short Breaks Service - Cr £119k

The learning disabilities short breaks service at Widmore Road has been running since 2013, when the 2 former respite units at Bromley Road and Tugmutton Close closed. The combining of the 2 facilities on to one new site has enabled staffing efficiencies to be made and a projected underspend of £119k is now reported as the service starts to bed down on the new site.

3. Learning Disabilities Housing and Support - Cr £97k

Some minor restructuring of the service, including the deregistration of the residential units at St Blaise and Orchard Grove and changes around the management of the service have resulted in a projected underspend of £97k.

4. Direct Care - Cr £7ka) Extra Care Housing - Dr £236k

There is a significant pressure on the in-house ECH budgets, mainly due to the need to provide additional support to some service users with mental health / dementia needs. There has also been an increase in the number of flats being used as 'step down' facilities by care management, resulting in subsequent loss of income (as this is not a chargeable service). The overspend has increased by £38k since the last reported figure in July, and the main variations can be analysed as £296k overspend on staffing and £67k overachievement of income.

b) Transport Service- Cr £148k

Latest monitoring of the transport budget has identified a projected underspend of £148k, £43k in relation to staffing costs and £105k for transport related costs.

c) Reablement - Cr £95k

The underspend in this service relates to staffing, with increased vacancies in the service. As a result the team are carrying out less reablement of clients, which is likely to lead to increased costs within assessment and care management.

5. Operational Housing - Dr £0k

At its meeting on 15th October 2014, Executive approved the drawdown of £1.2m held in the central contingency earmarked for the impact of welfare reform; £653k for temporary accommodation payments, and £547k as a contribution to capital for the conversion of Manorfields into temporary accommodation. The total cost of the conversion is estimated to be £563k, with the £16k shortfall to be met from other Housing Needs budgets.

As a result of the drawdown, no variation is currently projected for temporary accommodation budgets. The current projection assumed continued growth of 15 clients per month combined with continuing rising unit costs. This increase has been noticeable across all London Boroughs and is the result of the pressures of rent and mortgage arrears coupled with a reduction in the numbers of properties available for temporary accommodation. There are high levels of competition and evidence of 'out bidding' between London boroughs to secure properties and this has contributed towards the high costs of nightly paid accommodation.

Although no variation is expected in-year, there is a projected full year effect pressure of £375k in 2015/16. However, this only takes account of projected activity to the end of March 2015 and does not include any projected further growth in numbers beyond that point.

There will be a further revenue contribution to Capital as part of the year end closing of accounts for 2014/15, due to increased costs (overspend) associated with the Bellegrove conversion of £49k. This, and the £16k shortfall above will be offset by one off in-year underspends on various staffing budgets due to delays in the recruitment and appointment of staff as part of the restructure.

6. Strategic and Business Support - Cr £181k

A combination of part year vacancies, underspends on running expenses and projected net additional income from schools on the Performance and Research trading account is generating a forecast underspend of £181k

7. Children's Social Care - Dr £438k

The projected overspend in Children's Social Care has increased this month with the main areas of under / overspending being:

Placements - Dr £43k

The children's placement budget is currently projected to overspend by £43k, based on current numbers of children being looked after, plus an assumption for new children having to be looked after during the year. This is a reduction from the figure projected last time by £193k.

No Recourse to Public Funds - Dr £262k

The cost to Bromley for people with no recourse to public funding significantly exceeded the budget established for these costs in 2013-14. Additional budget was moved into this area for 2014/15, however the trend of increased costs is continuing during the current financial year, with a current projected overspend of £262k now being reported. The projection includes an assumption for new clients.

Leaving Care Clients - 16/17 year olds - Dr £220k

Expenditure relating to leaving care services for 16 and 17 year olds is projected to overspend due to increased numbers of children leaving care recently. This amount has increased by £128k from the last reported figure of £92k and relates to children previously receiving other services, mainly in-house fostering, or children receiving services for the first time. This could further increase if more children within this age group leave care requiring services.

Leaving Care Clients - 18 plus - Dr £27k

Expenditure relating to leaving care services for 18 year olds and over is projected to overspend as a result of delays relating to the reclaiming of housing benefits and the non recovery of some personal charges.

Children's Disability Service - Cr £76k

The current provision for the respite service agreement with Bromley CCG at Hollybank is expected to underspend by £45k this year. In addition costs relating to the Children's Disability team are expected to be £31k under budget.

Other miscellaneous budgets - Cr £38k

An SLA with an external provider was not renewed in 2013-14, resulting in a continuing underspend of £38k.

8. Commissioning - Dr £3k

Although a relatively small total variation, the projected net overspend of £3k comprises:

	Projected variation £'000
Taxicard	-48
Commissioning staffing and related budgets	17
Deprivation of Liberty Safeguards	34
Projected net overspend	<u>3</u>

The underspend on Taxicard arises from a TfL and London Councils re-profiling exercise and lower than budgeted take-up in Bromley, resulting in a reduced charge. The overspend on Commissioning staffing costs is based on current staffing levels and may be negated by turnover as the year progresses.

A recent Supreme Court judgement relating to Deprivation of Liberty Safeguards has potentially significant financial implications. The background was outlined in a report to the Executive on 10th June 2014. There is already evidence of a significantly higher number of assessments than in previous years and it is anticipated, based on numbers so far this year, that this will result in additional spend of approx. £50k in 2014/15. This is offset in part by underspends elsewhere within the DoLS budget. It is likely that there will be further additional costs this year and, once further details of the judgement and its consequences are available and further mapping work has been carried out, likely cost implications will become clearer and included in a future report.

9. Supporting People - Cr £146k

The projected underspend of £146k on Supporting People budgets arises from inflationary savings and the effect of re-tendering / extending contracts at a reduced cost. It should be noted that any savings arising from future re-tendering or contract extensions have not been assumed in this figure so the underspend may increase. There was a £270k saving built in to the 2014/15 budget and the £146k underspend is in excess of this.

10. Housing Improvement - Dr £23k

There is a projected shortfall within renovation grant agency fee income of £18k, and other income of £8k. This is due to reduced activity on capital schemes which has had a corresponding effect on the fees earned. There are other minor variations across of the service of Cr £3k, giving rise to the net deficit of £23k.

EARLY WARNINGS**Deprivation of Liberty Safeguards**

A recent Supreme Court judgement relating to Deprivation of Liberty Safeguards and the deprivation of liberty of individuals has potentially significant financial implications. The background was outlined in a report to the Executive on 10th June 2014. There is already evidence of a significantly higher number of assessments than in previous years and £50k has been included in the projected spend for this. Once further details of the judgement and its consequences are available and further mapping work has been carried out, likely cost implications will become clearer and will be included in a future report.

Waiver of Financial Regulations:

The Council's Contract Procedure Rules state that where the value of a contract exceeds £50k and is to be exempt from the normal requirement to obtain competitive quotations, the Chief Officer has to obtain the agreement of the Director of Resources and Finance Director and (where over £100,000) approval of the Portfolio Holder, and report use of this exemption to Audit Sub-Committee bi-annually.

Since the last report to the Executive, waivers were approved as follows:

- (a) There were 4 contract waivers agreed for the continuation of current contracts / new contracts of less than £50k each.
- (b) There were 16 waivers agreed for placements over £50k in Adult Social Care.

Virements Approved to date under Director's Delegated Powers

Details of virements actioned by Chief Officers under delegated authority under the Financial Regulations "Scheme of Virement" are included in financial monitoring reports to the Portfolio Holder. Since the last report to the Executive, no virements have been actioned.

Description	2014/15 Latest Approved Budget £'000	Variation To 2014/15 Budget £'000
Housing Needs - Temporary Accommodation	5,776	0
Adult Care Placements	48,264	2,800
Learning Disabilities Short Breaks Service	649	Cr 119
Learning Disabilities Housing & Support	1,383	Cr 97
Supporting People	2,006	Cr 146
Children's Social Care - Placements	12,800	43
Children's Social Care - No Recourse to Public Funds	382	262

Potential Impact in 2015/16

<p>The full year effect of the current projections for temporary accommodation anticipated to be a pressure of £375k in 2015/16. This includes the £653k draw down from contingency in 2014/15 for the impact of welfare reforms approved by Executive on 15th Oct 2014. However, this only takes account of projected activity to the end of March 2015, and does not include any projected further growth in numbers beyond that point. Officers are currently modelling different scenarios to quantify the effect of further possible initiatives and also the most appropriate deployment of existing initiatives to maximise the financial benefit.</p>

<p>The net overspend on adult care placements is forecast to produce a full year overspend of £4,113k, based on activity to 31/3/15 only (i.e. doesn't include changes to activity levels in future years).</p>

<p>The underspend currently reported in 2014/15 is expected to continue into next year.</p>

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<p>Based on current contracts a full year underspend of £189k is anticipated.</p>

<p>The full year effect of the current projection is calculated at a £254k overspend. Officers continue to work towards increasing the number of in-house foster carers so that expensive external placements can be avoided.</p>

<p>The full year effect of clients who have no recourse to public funds and Bromley are having to pay for has been calculated at £220k based on current numbers after the increase in budget has been taken into account. The Welfare Reform changes currently being implemented may impact on this amount further. Officers will monitor the position and report any changes as part of the budget monitoring process during the year.</p>

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